

18975-E

## SECURITY AGREEMENT SUPPLEMENT NO. 2

SECURITY AGREEMENT SUPPLEMENT No. 2, dated November 14, 1994, between SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, not individually but solely as owner trustee (the "*Debtor*") under the Trust Agreement dated as of August 1, 1994, (the "*Trust Agreement*") for the benefit of KBNY Leasing Inc., a New York corporation (the "*Owner Participant*"), and Wilmington Trust Company, as security trustee (the "*Security Trustee*") under the Security Agreement-Trust Deed dated as of August 1, 1994, from the Debtor to the Security Trustee (the "*Security Agreement*").

### WITNESSETH:

WHEREAS, the Security Agreement provides for the execution and delivery from time to time of Security Agreement Supplements substantially in the form hereof each of which shall particularly describe the Equipment (such term and other defined terms in the Security Agreement being herein used with the same meaning) included in the Collateral and subject to the security interest of the Security Agreement;

NOW, THEREFORE, TO SECURE THE PAYMENT when and as due and payable of the principal of and the premium, if any, and interest on the Notes, and to secure the payment of all other indebtedness which the Security Agreement by its terms secures and compliance with all the terms of the Security Agreement and of such Notes, the Debtor does hereby create and grant to the Security Trustee and to its successors and assigns a security interest in the following properties:

(a) all the Items of property and equipment described in Schedule A annexed hereto;

(b) all accessories, equipment, parts and appurtenances appertaining or attached to any Items of property and equipment described in said Schedule A, whether now owned or hereafter acquired, except such thereof as remain the property of the Lessee under the Lease, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to the Equipment, except such thereof as remain the property of the Lessee under the Lease; and

(c) all rents, issues, income, profits and proceeds arising from or in connection with any of the foregoing, subject always to the exceptions, reservations and limitations contained in the section entitled "EXCEPTED RIGHTS IN COLLATERAL" of the Security Agreement.

SAVINGS AND EXCEPTING, however, from the properties in which a security interest is hereby created and granted, all property saved and excepted from the coverage of the

granting clauses of the Security Agreement by the section entitled "EXCEPTED RIGHTS IN COLLATERAL" immediately following the granting clauses thereof.

THE DEBTOR hereby binds itself, its successors and assigns, to warrant and forever defend to the Security Trustee and its successors and assigns the security interest hereby created and granted.

This Supplement shall be construed as supplemental to the Security Agreement and shall form a part of it and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

This Supplement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

This Supplement shall in all respects be governed by, and construed in accordance with, the laws of the State of Indiana (without regard to the conflict of laws provisions of such state), including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the Debtor and the Security Trustee have caused this Supplement to be executed, as of the day and year first above written.

SHAWMUT BANK CONNECTICUT, NATIONAL  
ASSOCIATION, not individually but solely  
as Owner Trustee under Indiana Michigan  
Power Trust No. 94-1



By ALAN P. COFFEY  
Its ASSISTANT VICE PRESIDENT  
DEBTOR

WILMINGTON TRUST COMPANY, not in its  
individual capacity but solely as Security  
Trustee

By \_\_\_\_\_  
Its Authorized Officer  
SECURITY TRUSTEE

STATE OF **CONNECTICUT** )  
 ) SS  
COUNTY OF **HARTFORD** )

On this 8th day of November, 1994, before me personally appeared ALAN B. COFFEY, to me personally known, who being by me duly sworn, says that he is ~~ASSISTANT VICE PRESIDENT~~ of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Dawn P. Heintz*  
Notary Public

(SEAL)

**DAWN P. HEINTZ**  
**NOTARY PUBLIC**

My commission expires MY COMMISSION EXPIRES MAY 31, 1997

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1994, before me personally appeared, \_\_\_\_\_, to me personally known, who being by me duly sworn, says that he is a \_\_\_\_\_ of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution and foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

(SEAL)

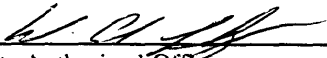
My commission expires: \_\_\_\_\_

IN WITNESS WHEREOF, the Debtor and the Security Trustee have caused this Supplement to be executed, as of the day and year first above written.

SHAWMUT BANK CONNECTICUT, NATIONAL  
ASSOCIATION, not individually but solely  
as Owner Trustee under Indiana Michigan  
Power Trust No. 94-1

By \_\_\_\_\_  
Its  
DEBTOR

WILMINGTON TRUST COMPANY, not in its  
individual capacity but solely as Security  
Trustee

By  \_\_\_\_\_  
Its Authorized Officer  
SECURITY TRUSTEE

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1994, before me personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, says that he is a \_\_\_\_\_ of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires \_\_\_\_\_

STATE OF Delaware )  
 ) SS  
COUNTY OF New Castle )

On this 8th day of November, 1994, before me personally appeared, W. OWENS SPONTANER, to me personally known, who being by me duly sworn, says that he is a Director of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution and foregoing instrument was the free act and deed of said corporation.

Sonja F. Allen  
Notary Public

(SEAL)

My commission expires: \_\_\_\_\_

SONJA F. ALLEN  
NOTARY PUBLIC  
My Commission expires May 30, 1998

### DESCRIPTION OF EQUIPMENT

50 new 120-ton aluminum-bodied, rotary-dump gondola railcars suitable for carrying coal, as more specifically described below:

CAR INITIALS	CAR NUMBERS
AEPX	4791
AEPX	4792
AEPX	4793
AEPX	4794
AEPX	4795
AEPX	4796
AEPX	4797
AEPX	4798
AEPX	4799
AEPX	4800
AEPX	4801
AEPX	4802
AEPX	4803
AEPX	4804
AEPX	4805
AEPX	4806
AEPX	4807
AEPX	4808
AEPX	4809
AEPX	4810
AEPX	4811
AEPX	4812
AEPX	4813
AEPX	4814

SCHEDULE A  
(to Security Agreement Supplement No. 2)

CAR INITIALS

CAR NUMBERS

AEPX	4815
AEPX	4816
AEPX	4817
AEPX	4818
AEPX	4819
AEPX	4820
AEPX	4821
AEPX	4822
AEPX	4823
AEPX	4824
AEPX	4825
AEPX	4826
AEPX	4827
AEPX	4828
AEPX	4829
AEPX	4830
AEPX	4831
AEPX	4832
AEPX	4833
AEPX	4834
AEPX	4835
AEPX	4836
AEPX	4837
AEPX	4838
AEPX	4839
AEPX	4840
TOTAL CARS	50